<u>AMENDMENTS TO THE CLAIMS</u>:

Please cancel Claims 2, 11, and 20 without prejudice to or disclaimer of the subject matter recited therein.

Please amend Claims 1, 3 through 5, 10, and 12 through 14 to read as follows:

1. (Currently Amended) An image processing apparatus comprising:

image encoding means for encoding image data inputted;

audio data encoding means for encoding audio data inputted together with the image data;

image encoding setting means for setting the encoding <u>in</u> said image encoding means to encode the image data so that a scene exhibiting a high degree of significance in each of frame images is encoded with a high image quality; ~~and~~

audio data encoding setting means for setting an audio encoding method in said audio data encoding means to increase a bit amount of the audio data corresponding to the scene exhibiting the high degree of significance in response to the setting by said image encoding setting means<u>; and</u>

<u>data integration means for integrating, in a predetermined order, data of the frame images encoded with the high image quality in accordance with the setting by said image encoding setting means and encoded audio data encoded by said audio data encoding means so as to increase the bit amount of the audio data corresponding to the period of the frame images encoded with high image quality, and outputting the integrated data,</u>

<u>wherein said image encoding setting means is capable of setting selectively a part of a region in each of arbitrary n (where n is an integer equal to or larger than 1) frame images of a moving image composed of the image data so that this partial region exhibits a high image quality, and</u>

- 2 -

wherein said audio data encoding setting means sets the audio encoding method to increase the bit amount of the audio data corresponding to the period of the frame images in which the setting is done by said image encoding setting means so that the audio data exhibit a high acoustic quality.

2. (Canceled)

3. (Currently Amended) An apparatus according to claim 2̶ 1̲, wherein said audio data encoding means executes compression-encoding in accordance with the setting by said audio data encoding setting means to set a larger amount of codes to be assigned during the period for which the audio data are processed with the high acoustic quality than during other period for which the audio data are not processed with the high acoustic quality.

4. (Currently Amended) An apparatus according to claim 2̶ 1̲, wherein said audio data encoding means invalidates in accordance with the setting by said audio data encoding setting means, a compression-encoding of the audio data during the period for which the audio data are processed with the high acoustic quality.

5. (Currently Amended) An apparatus according to claim 2̶ 1̲, wherein said audio data encoding means includes a plurality of audio data encoding circuits and executes a compression-encoding processing by adaptively selecting outputs of said plurality of audio data encoding circuits in accordance with the inputted audio data during the period for which the audio data are processed with the high acoustic quality in accordance with the setting by said audio data encoding setting means.

6. (Original) An apparatus according to claim 1, wherein said image encoding setting means makes the setting so as to encode a region, with the high image quality, including an arbitrary object in the image data.

7. (Original) An apparatus according to claim 6, wherein said image encoding setting means makes ROI setting of the region including the arbitrary object, and

wherein said image encoding means executes ROI encoding.

8. (Original) An apparatus according to claim 1, wherein said image encoding setting means makes the setting so as to encode a partial region of the image data with the high image quality in accordance with a user's instruction for designating a degree of significance of the image.

9. (Original) An apparatus according to claim 8, wherein said image encoding setting means makes the ROI setting in accordance with the user's instruction, and

wherein said image encoding means executes the ROI encoding.

10. (Currently Amended) An image processing method comprising:

an image encoding step of inputting a moving image and encoding image data thereof;

an audio data encoding step of encoding audio data inputted together with the moving image;

an image encoding setting step of setting the encoding in said image encoding step to control an image quality of encoded image data in accordance with a partial region in each of frame image of the moving image; ~~and~~

an audio data encoding setting step of setting an audio encoding method in said audio data encoding step to increase a bit amount of the audio data corresponding to the encoded image data in which the image quality is improved, in response to the setting in said image encoding setting step; and

a data integration step of integrating, in a predetermined order, data of the frame images encoded with the high image quality in accordance with the setting in said image encoding setting step and encoded audio data encoded in said audio data encoding step so as to increase the bit amount of the audio data corresponding to the period of the frame images encoded with high image quality, and outputting the integrated data,

wherein said image encoding setting step is capable of selectively setting, with a high image quality, a part of a region in each of arbitrary n (where n is an integer equal to or larger than 1) frame images of the moving image, and

wherein said audio data encoding setting step includes setting said audio encoding step to increase the bit amount of the audio data corresponding to the period of the frame images in which the setting is done in said image encoding setting step so that the audio data exhibit a high acoustic quality.

11. (Canceled)

12. (Currently Amended) A method according to claim ~~11~~ 10, wherein said audio data encoding step includes executing compression-encoding in accordance with the setting in said audio data encoding setting step to set a larger amount of codes to be assigned during the period for which the audio data are processed with the high acoustic quality than during other period for which the audio data are not processed with the high acoustic quality.

13. (Currently Amended) A method according to claim ~~11~~ 10, wherein said audio data encoding step includes invalidating in accordance with the setting in said audio data encoding setting step, a compression-encoding of the audio data during the period for which the audio data are processed with the high acoustic quality.

14. (Currently Amended) A method according to claim ~~11~~ 10, wherein said audio data encoding step includes executing a compression-encoding processing by adaptively selecting outputs of a plurality of audio data encoding methods in accordance with the inputted audio data during the period for which the audio data are processed with the high acoustic quality in accordance with the setting in said audio data encoding setting step.

15. (Original) A method according to claim 10, wherein said image encoding setting step involves setting so as to encode a region, with the high image quality including an arbitrary object in the image data.

16. (Original) A method according to claim 15, wherein said image encoding setting step involves making ROI setting of the region including the arbitrary object, and wherein said image encoding step includes executing ROI encoding.

17. (Original) A method according to claim 10, wherein said image encoding setting step includes setting so as to encode a partial region of the image data with the high image quality in accordance with a user's instruction for designating a degree of significance of the image.

18. (Previously Presented) A method according to claim 17, wherein said image encoding setting step includes making the ROI setting in accordance with the user's instruction, and

wherein said image encoding step includes executing the ROI encoding.

19. (Original) A storage medium storing a program executable by a data processing apparatus, said program including program codes for realizing an image processing method described in claim 10.

20. (Canceled).